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(On the Record)

18 Nov 1974

MEMORANDUM

SUBJECT: Summary of Funds Approved by the 40 Committee for Agency Covert Action Operations in Chile Since 1962

Covert U. S. Government involvement in large-scale political action programs in Chile began with the 1964 presidential elections in response to the serious threat posed by Marxist candidate Salvador Allende, whose stated intent was to impose an "irreversible" socialist revolution on Chile. In the 1958 presidential elections Allende had polled a surprisingly strong 30% of the total vote and had actually come within 33,000 votes of winning the election in a 4-way race. As the 1964 election approached, it became clear that the Communist-dominated Popular Action Front (FRAP), a coalition of leftist parties supporting Allende's bid for the presidency, was preparing to make an all-out effort to win the 1964 elections.

2 1962[?] In 1962 and 1963 [REDACTED] was authorized to support the left-of-center Christian Democratic Party (PDC) in order to build up this party as a democratic alternative to the FRAP coalition. The PDC candidate for the 1964 presidential elections was then-Senator Eduardo Frei, by far the Party's best known and most influential leader. However, in 1963 [REDACTED] was authorized to support a coalition of centrist and rightist parties known as the Democratic Front. In March of 1964 it became obvious that the Democratic Front was in a state of disarray and that it had no chance of winning the presidency, leaving Salvador Allende as the clear favorite for the September elections.

Declassified and
Approved for Release
July 2000

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Following the collapse of the Democratic Front, a major program for [REDACTED] was authorized in May 1964 to support PDC [REDACTED]. Two additional allocations of [REDACTED] each were authorized in July and August 1964, bringing the total for the election program to \$3 million dollars. The election proved to be an impressive triumph for Frei who won 56.61% of the valid vote as against 38.9% for Allende and 5% for Duran. The size of Frei's margin surprised nearly all Chilean political observers. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Following the election, \$160,000 was authorized to support organizations [REDACTED], and to support selected candidates in the March 1965 congressional elections. This program was designed to assist 35 moderate candidates (representing all non-FRAP parties) who were considered to be involved in tight races against leftist candidates. The election results proved that President Frei's great popularity had carried over into the congressional election since moderate (particularly PDC) candidates scored impressive victories in many close races.

In 1967 [REDACTED] was provided to assist the moderate faction of the Radical Party, which was moving toward the left. In 1969 \$350,000 was authorized to support selected democratic candidates in the March congressional elections.

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The Agency did not conduct covert action operations in support of either of the two democratic candidates who opposed Salvador Allende in the 1970 presidential election. Our role in the election was limited to an effort to denigrate Allende and his Popular Unity (UP) coalition during the campaign for which [REDACTED] was authorized. After Allende's inauguration, U. S. policy was to maintain maximum covert pressure to prevent the Allende regime from perpetuating itself in power. Under this policy the 40 Committee approved financial support totaling \$6,699,166 for Chilean political parties, media, and private sector organizations opposed to the Allende regime.

Funds [REDACTED] channeled to opposition political parties in Chile enabled them to improve their internal organizations, [REDACTED] and to compete successfully in a number of congressional by-elections. These congressional elections were considered by both the UP and the opposition as a form of plebiscite to determine whether or not the government had a popular mandate to continue the implementation of its revolutionary program.

Our support of the opposition confederation in the 1973 congressional elections was described [REDACTED] as having been of vital importance in enabling them to campaign strongly and to win 54.7% of the total vote. Funds authorized by the 40 Committee were also used to insure the continued existence of an independent newspaper which acted as an effective rallying-point for opposition forces. Limited support was also made available to private sector organizations, but because some of these groups began to try to provoke a military coup, our funding was confined to

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specific activities in support of the opposition coalition in the March congressional elections.

After the March 1973 elections, it became increasingly apparent that three years of political polarization had strained the fabric of Chilean society to the breaking point. Various U. S. policy options were considered, and on 20 August 1973 the 40 Committee approved an additional \$1,000,000 to support opposition political parties and private sector organizations through June 1974; support to the private sector, however, was made contingent on the concurrence of the Ambassador and the Department of State. Since this concurrence was not given, no support was provided to the private sector, whose initiative in launching and maintaining a series of crippling strikes was instrumental in provoking the military coup of 11 September 1973.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Thus, while the Agency was instrumental in enabling opposition political parties and media to survive and to maintain their dynamic resistance to the Allende regime, the CIA played no direct role in the events which led to the establishment of the new military government.

~~SECRET~~ [REDACTED]

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EYES ONLY

on
(Off the Record)

MEMORANDUM

SUBJECT: Summary of Funds Approved by 40 Committee for Chile

The following is a summary, by date, of all funds approved by the 40 Committee or its predecessor organization for CIA operations in Chile since 1962, when the U. S. Government first became concerned about the possibility that a Communist-Socialist coalition might succeed in taking over the government.

<u>Date</u>	<u>Amount Approved</u>	<u>Purpose</u>
{ 1962	\$ [REDACTED]	Strengthen democratic parties as alternatives to the Communist-Socialist coalition (FRAP)
1962	[REDACTED]	Additional funds to strengthen democratic parties
1963	[REDACTED]	Financial support to a democratic party
1963	[REDACTED]	Support democratic candidates in April municipal elections
1964	3,000,000	Insure Frei's election as President (Frei won 56% of the total vote)
1964	[REDACTED]	Support to [REDACTED]
1965	175,000	Assist democratic candidates in March congressional elections
1967	[REDACTED]	Strengthen the moderate faction within a democratic party
1969	350,000	Assist democratic candidates in March congressional elections
1970	[REDACTED]	Propaganda to [REDACTED]
1970 (post-election) (not spent)	[REDACTED]	[REDACTED]

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<u>Date</u>	<u>Amount Approved</u>	<u>Purpose</u>
1971	1,240,000	Support to democratic parties in April municipal elections and [REDACTED]
1971 (March)	[REDACTED]	Additional funds [REDACTED]
1971 (May)	[REDACTED]	[REDACTED]
1971 (May)	[REDACTED]	Assist democratic parties [REDACTED]
1971 (July)	[REDACTED]	Campaign expenses of democratic parties [REDACTED]
1971 (September)	[REDACTED]	Support for [REDACTED] being subjected to economic pressures by Allende government
1971	[REDACTED]	Support democratic parties for one year through October 1972
1971 (December)	160,000	Campaign expenses of democratic parties [REDACTED]
1972 (April)	965,000	[REDACTED]
1972 (April)	[REDACTED]	Support to another democratic party to run through October 1972
1972 (June)	[REDACTED]	Support to democratic parties [REDACTED]
1972 (September)	[REDACTED]	[REDACTED]

~~SECRET~~ [REDACTED]

<u>Date</u>	<u>Amount Approved</u>	<u>Purpose</u>
1972 (October)	1,427,666	Support to democratic parties to enable them to campaign strongly in March congressional elections and to [REDACTED]
1973 (February)	[REDACTED]	Additional funds to cover increased costs of congressional election campaign
1973 (August)	(\$1,000,000 approved but cancelled after 11 September military coup)	Support to opposition parties and private sector organizations during FY 1974
1973 (November)	[REDACTED]	[REDACTED]
1974 (June)	[REDACTED]	[REDACTED]
	[REDACTED]	